



## **COUNCIL WORK SESSION**

**Tuesday, October 22, 2013**

**6:30 p.m.**

**Coon Rapids City Center**

**Conference Room 1**

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### **Call to Order**

Pursuant to Minnesota Statute 13D.04, subd. 2, the City Council will meet in work session to discuss the following:

1. Cable Television Franchise Renewal Update
2. Progress Report of Public Safety Data System (PSDS)

### **Other Business**

Boards and Commission Appointments

### **Adjourn**



## **City Council Work Session**

1.

**Meeting Date:** 10/22/2013

**Subject:** Cable Television Franchise Renewal Update

**From:** Matt Stemwedel, Assistant City  
Manager

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### **INTRODUCTION**

At the May 7, 2013 City Council Work Session, staff presented information to Council regarding the cable franchise renewal process with Comcast Cable. Staff will provide an update on the progress made since the May meeting and will request input on future activities.

### **DISCUSSION**

Every 10-15 years the City has the opportunity to examine past services provided by its cable operator (currently Comcast) and to renegotiate a franchise agreement. The cable franchise renewal process examines the past performance of Comcast and future services that the City and its citizens would like to include in a new cable franchise agreement. This agreement also provides for many other significant provisions, including: an important revenue source for CTN studios, public right-of-way regulation and customer service standards.

Since the Council Work Session in May, staff has concentrated their efforts on two major components of the franchise renewal process. First, the City has retained a consultant to perform a review of the franchise fees paid by Comcast. This review is essential in determining compliance with terms and conditions of the franchise agreement.

More recently, the City has selected a consultant to perform a needs assessment that will help identify the community's future cable-related needs and interests. The two key components of the needs assessment include a focus group of community stakeholders and a scientifically valid survey of the community. Staff anticipates that both the focus group and survey will take place this November.

Staff will further describe the activities related to the cable franchise renewal process during the work session. The presentation slides provided by the City's Cable Attorney, Stephen Guzzetta, at the May 7th meeting have been attached to provide a refresher on the cable franchise renewal process.

### **RECOMMENDATION**

Staff requests that Council consider and discuss the information provided on the cable franchise renewal process. In particular, staff will seek Council input on the needs assessment process.

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### **BUDGET IMPACT:**

Funds for cable franchise renewal activities were included in the 2013 and proposed 2014 CTN Studios budget. Consultant work related to the franchise fee review will cost approximately \$5,000. The needs assessment study will cost approximately \$28,600.

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### **Attachments**

Presentation



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# CITY OF COON RAPIDS

## City Council Workshop: Cable Franchise Renewal 101

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Bradley &  
Guzzetta, LLC

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May 7, 2013

# Why Renewal is Important

- Comcast Perspective

- Must Have a Franchise to Provide Cable Service Under State & Federal Law
- The Right to Occupy the Public Rights-of-Way is very valuable
  - National Average \$9 per foot
  - \$2,600 per subscriber or \$32,546,800 [12,518 subs x \$2,600]
- “Rules of the Game” – stability and certainty as to financial commitments and regulatory framework
- Protecting Its Revenue Streams for all three current product offerings

# Why Renewal is Important

- **Local Franchising Authority Perspective**
  - Long-Term Business Deal
    - Cable Franchise is Typically 10-15 Years
  - Cable Operator Uses Valuable and Scarce Public Rights-of-Way
    - Disruption, degradation and maintenance of PROW acquired and maintained by taxpayers
    - Financial Compensation – Franchise and PEG Fees
    - In-Kind Compensation
  - Meeting Local Cable-Related Needs and Interests
    - PEG channel capacity
    - PEG studio facilities and equipment
    - I-Net
    - Free Cable Service, Drops & Outlets
    - State-of-the-Art Network for Economic Development & Quality of Life

# Common Renewal Issues

- **PROW – Compensation**
  - Def. of Gross Revenues (bundle allocation, net vs. gross, etc.)
  - PEG capacity (SD vs. HD, channel position, etc.)
  - PEG Support
  - I-Net (managed services, cost, sites to be connected, etc.)
- **Scope of Franchise**
  - Cable Service
  - Classification of IPTV?
  - Definition of “Cable Service” and “Cable System”
  - No Information Services or Telecommunications Services- *i.e.*, HSD and VOIP
- **Franchise Term**
- **Franchise Enforcement**
  - Amount of Liquidated Damages
  - Period Liquidated Damages in Effect
  - Enforcement Process
  - Provision of Data for Enforcement/Oversight
- **Free Cable Service, Drops & Outlets to Gov’ t Buildings and Public Schools**
- **Customer Service**
- **Competitive Equity**

# Renewal Options

- **Franchise Extension**
- **Informal Franchise Renewal**
- **Formal Franchise Renewal**



# Work Plan

- **Current Cable Franchise Compliance Review**
  - Review Franchise Commitments
  - Franchise Fee Review and Financial Analysis
  - System Technical Review
  - I-Net Technical Standards Review
  - Other Issues
- **Written Notice of Non-Compliance and Opportunity to Cure (if any)**
- **Conduct Needs Assessment**
  - Input from individual LFA departments
  - Surveys (mail or telephone) for Citizen Input
    - Reliability & Statistical Significance
  - Focus Groups
  - Public Hearings for Citizen Input

# Overall Goals of Past Performance Review

- Determine whether Comcast has substantially complied with material franchise terms
- Identify needs and interests created by compliance issues
- Build record for administrative hearing
- Develop negotiating leverage for franchise extension and/or informal renewal discussions
- Ultimately, is Comcast legally qualified to obtain a renewal franchise?

# Overall Goals of the Needs Ascertainment Process

- Identify and Articulate the Community's Future Cable-Related Needs and Interests
- Develop Recommendations As to How the Community's Needs and Interests Can Be Satisfied by Comcast
  - Cost to Comcast and subscribers is a consideration
  - Evaluate Comcast's Financial Capabilities
- Maximize the City's Negotiating Leverage with Comcast in Informal Renewal Process or Extension Negotiations
- Build record to support an RFRP, if necessary
- Bases for Judging a Formal Renewal Proposal from Comcast

# Work Plan – Informal Process and Franchise Extension

- **Draft Needs Assessment Report**
  - Based upon Surveys, Public Input, Interviews, etc.
- **Draft Cable Franchise Agreement and Ordinance**
  - Based on identified needs and interests
  - Taking results of past performance review into consideration
- **Resolution of Compliance Issues**
  - Through Separate Settlement Agreement
  - Incorporation of Appropriate Provisions in Franchise Documents
- **Entertain Informal Renewal Proposals/Negotiations**
- **Timeline: Typically 1-2 Years, but Could Be Longer**
- **Can Return to Formal Process at Any Time**
- **Can Reject or Accept an Informal Renewal Proposal or Extension Agreement at Any Time and for Any Reason**

# Work Plan – Formal Renewal

- Draft Staff Report and RFRP Based on Needs Assessment Report and Past Performance Review
- Prepare Model Franchise Agreement & Ordinance
- Issue Staff Report, RFRP and model docs. and Set Response Deadline
- Review Comcast Response (Up to 4 months)
- Renew or Preliminarily Deny Based on Statutory Criteria
- Administrative Hearing if Deny
- Final Written Decision to Renew or Deny Based on Admin. Record
- Litigate in Court, if Necessary
- Timeline: 1-3 years
- Informal Process can Take Place Concurrently

# Renewal Challenges

- Comcast Push Towards a Uniform National Agreement
- PEG Funding
  - Current Comcast Position
  - Impact of FCC's Section 621 Orders
- I-Net
  - Impact of Section 621 Orders
  - Comcast is in the business
- Size of the Cable Operator
  - Comcast is 10 times larger - national
  - Previous operator was regional – local decision-makers
  - “Problem” with Precedent from Comcast Perspective- lowest common denominator
- Regulatory Environment
  - Change in Delivery of Services
  - Rise of Satellite Competition
  - Rise of Broadband
  - The YouTube Effect
- Formal Renewal Protections, if Properly Invoked
- Potential Cost



# Keys to Success

- **Treat Renewal as an Arms-Length Business Negotiation**
  - Comcast Will Do So
  - City as a “template” for future metro-area renewals
- **Negotiate from a Position of Strength with Adequate Resources and Leverage**
  - Negotiations will be difficult, technical and very time-consuming and resource-intensive
  - Set and Enforce Timelines
  - No longer dealing with a local company – negotiating with the largest cable operator in the United States
- **City Communication with Comcast**
  - Need to project resolve and seriousness of purpose
  - Prepare for lobbying
  - Unified Front
- **Make Comcast Justify Its Positions**
- **Remember You Are in Litigation**
- **The More You Prepare – The More Successful You Will Be**

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# QUESTIONS?

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May 7, 2013





## **City Council Work Session**

**2.**

**Meeting Date:** 10/22/2013

**Subject:** Progress Report of Public Safety Data System (PSDS)

**From:** Brad Wise, Police Chief

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### **INTRODUCTION**

In 2011, the Coon Rapids City Council adopted Resolution 11-54 in support of a County-wide integrated Public Safety Data System as recommended by the Anoka County Joint Law Enforcement Council (JLEC). The work work to assemble the system needs and identifying vendors is complete, with this preliminary information being ready to be passed onto to all to the Councils of JLEC members.

### **DISCUSSION**

The PSDS capabilities and costs have been thoroughly vetted by sub-committees of the JLEC via work done over the last two years. Presentations were made on October 15th to the Anoka County Board's Finance Committee and on October 17th the the Board's Public Safety Committee. Both Boards approved the PSDS as presented. The PSDS plan will be presented to the full JLEC October 30, 2013, for approval. Coon Rapids is represented on the JLEC by Councilmember Steve Wells and by Police Chief Brad Wise. If approved by the JLEC the project will be brought forward to the Anoka County Board for final approval at their scheduled meeting November 12, 2013. Staff would like to provide a progress report to the Council at their October 22nd work session.

### **RECOMMENDATION**

This is for information on the PSDS. No action will be required.

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### **Attachments**

Resolution 11-54

PSDS Presentation Slides

Shared Fire Costs

Shared Police Costs

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**RESOLUTION NO. 11- 54**

**RESOLUTION SUPPORTING AND ENDORSING A  
COUNTYWIDE INTEGRATED PUBLIC SAFETY  
INFORMATION SYSTEM**

**WHEREAS**, the Anoka Joint Law Enforcement Council (JLEC) was formed to benefit the public safety of the citizens of Anoka County; and

**WHEREAS**, the City of Coon Rapids has actively participated in the JLEC through the participation of our chief law enforcement officer and our elected officials; and

**WHEREAS**, the safety of the public and police and fire personnel will be enhanced by improvements in the speed and accuracy of shared public safety information systems; and

**WHEREAS**, significant public safety staff resources may be redirected from redundant data entry to more effective public safety efforts; and


**WHEREAS**, the JLEC desires to implement a comprehensive shared public safety information system in Anoka County whereby law enforcement, fire, jail, dispatch, and emergency preparedness data may be maintained and shared; and

**WHEREAS**, the JLEC and the Anoka County Board support a legislative change to allow the use of the specific bonding authority, provided for in Minnesota Statutes Chapter 383E, to fund county-wide public safety projects.

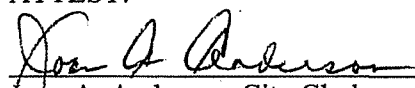
**NOW, THEREFORE, BE IT RESOLVED** by the City Council of Coon Rapids, Minnesota that the City supports and endorses a county-wide integrated public safety information system; and

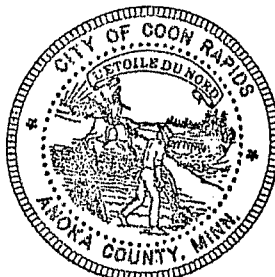
**BE IT FURTHER RESOLVED** that the City Council does hereby support the expansion of the public safety bonding authority provided by Minn. Stat. Chap. 383E to county-wide public safety projects as provided for in Legislative Session 87, House file 429 and Senate file 275.

Adopted this 3<sup>rd</sup> day of May, 2011.

  
\_\_\_\_\_  
Tim Howe, Mayor

ATTEST:

  
\_\_\_\_\_  
Joan A. Anderson, City Clerk



# ANOKA COUNTY PSDS

Draft Pricing  
As of  
October 15, 2013

# Overview - Considerations

- ◉ Pricing is still subject to change
- ◉ One significant item remains for TriTech Contract:
  - Kronos/Telestaff

***Anoka County PSDS***  
**Draft Pricing Summary (10-15-2013)**

**Inform CAD and Mobile Software System**

Software	\$1,746,453
<u>Services</u>	<u>\$784,127</u>
	\$2,520,579

**Inform RMS/FBR Software System**

Software	\$932,278
Services	\$309,768
Third Party	
<u>Products and Services</u>	<u>\$26,167</u>
	\$1,268,214

## TriTech Business Partner's Systems

BAIR Analytics	\$100,328	(5-years PPM)
Rhodium	\$363,467	(5-years PPM)
CADNorth	\$46,506	(5-years PPM)
Telestaff*	\$815,108	(4-years PPM)
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\$1,325,409		

## Hardware

Production Hardware	\$327,635
Production Maint. 1 year	\$124,798
Production Software	\$149,931
DR Hardware	\$244,219
DR Maint. 1 year	\$104,372
DR Software	\$70,053
<hr/>	
\$1,021,007	
Implementation Service Fee	\$68,640

# MAINTENANCE COSTS

- Estimated ongoing annual maintenance costs

CAD/Mobile*	\$403,525
CAD North*	\$4,914
Stratus *	\$15,100
TeleStaff	\$72,460
RMS/FBR/IQ	\$131,816
RMS Address Validation	\$7,655
BAIR Analytics	\$11,759
<u>Rhodium</u>	<u>\$76,488</u>
Total Annual Estimate	\$723,717
Less Central Comm/County*	\$423,539
Cities/ACSO	\$300,178
<u>Less pre-paid maint y2-y6</u>	<u>\$160,707</u>
Annual to LE/Cities/ACSO	\$139,471

- Pre-paid maintenance costs (4 – 5 years, net savings est. \$272,114)

- \* Central Communications Support Costs Assumed by Anoka County

# GRAND TOTAL

- ◉ TriTech and Subs Total \$6,203,849
- ◉ Fire Records Estimate \$730,000
- ◉ Jail Records and Interface \$695,000
- ◉ Total for bonding \$7,628,849



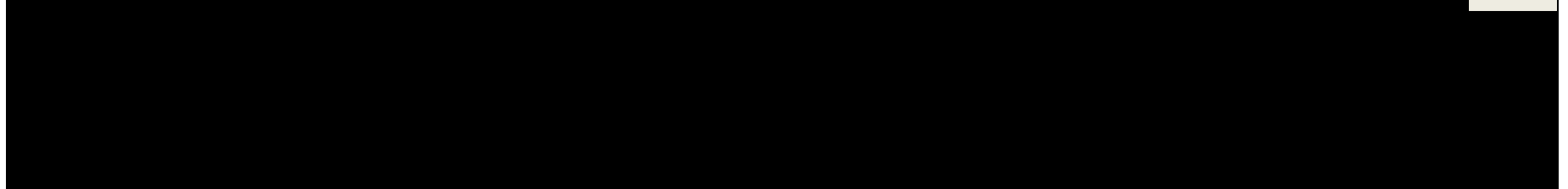
# ADDITIONAL SYSTEM COSTS

- Fire Records annual support \$106,000
- System Administration (estimated at \$200,000  
- \$400,000/year)

# NEXT STEPS

- ◉ Presentation to County Board's Finance Committee Oct. 15
- ◉ Presentation to County Board's Public Safety Committee this Thursday, Oct. 17
- ◉ Draft purchase agreement and Statement of Work provided to Governance Oct. 24
- ◉ Draft purchase agreement and Statement of Work to Fire Protection Council Oct. 24
- ◉ Present to JLEC for approval Oct. 30
- ◉ County Board Approval Nov. 12

Data	Centennial	Lexington	St. Francis	SBM	Andover	Bethel	Anoka	Columbia Heights	Fridley	East Bethel	Ham Lake	Ramsey	Oak Grove	Linwood	Columbus	Coon Rapids	Total
2007 Calls for Service	920	188	300	1,100	1,100	15	650	2,395	2,865	600	350	500	176	200	0	4,800	16,159
2008 Calls for Service	950	190	300	1,150	1,150	20	650	2,395	2,865	600	350	500	154	200	0	4,800	16,274
2009 Calls for Service	1,000	200	300	1,200	1,175	20	660	2,390	2,865	600	350	500	187	200	0	4,800	16,447
2010 Calls for Service	1,050	200	300	1,200	1,200	20	670	2,400	2,888	600	350	500	143	220	0	4,800	16,541
2011 Calls for Service	1100	200	300	1200	1250	25	698	2450	3,037	600	370	500	143	200	0	4,851	16,924
Total	5,020	978	1,500	5,850	5,875	100	3,328	12,030	14,520	3,000	1,770	2,500	803	1,020	0	24,051	82,345
Five Year Average	1,004.00	195.60	300.00	1,170.00	1,175.00	20.00	665.60	2,406.00	2,904.00	600.00	354.00	500.00	160.60	204.00	0.00	4,810.20	16,469.00
Percent of Calls in County Total 5yr	6.1%	1.2%	1.8%	7.1%	7.1%	0.1%	4.0%	14.6%	17.6%	3.6%	2.1%	3.0%	1.0%	1.2%	0.0%	29.2%	100.0%
Market Value per Anoka County	2,796,095,400	136,265,500	531,385,600	9,919,798,000	2,756,266,700	35,439,700	3,010,578,800	1,328,541,000	2,561,173,300	1,033,801,500	1,705,976,600	2,759,034,700	849,418,200	519,547,900	0	5,088,417,800	35,031,740,700
Market Value divided by 1,000,000	2,796.10	136.27	531.39	9,919.80	2,756.27	35.44	3,010.58	1,328.54	2,561.17	1,033.80	1,705.98	2,759.03	849.42	519.55	0.00	5,088.42	35,031.76
Population per Met Council	31,630	2,250	7,700	77,855	37,400	550	42,089	20,770	27,000	12,600	16,200	32,580	9,200	4,920	0	65,700	388,444
Population divided by 100	316.30	22.50	77.00	778.55	374.00	5.50	420.89	207.70	270.00	126.00	162.00	325.80	92.00	49.20	0.00	657.00	3,884.44
CALCULATION																	
Five Year Average of Runs	1,004.00	195.60	300.00	1,170.00	1,175.00	20.00	665.60	2,406.00	2,904.00	600.00	354.00	500.00	160.60	204.00	0.00	4,810.20	16,469.00
Market Value divided by 1,000,000	2,796.10	136.27	531.39	9,919.80	2,756.27	35.44	3,010.58	1,328.54	2,561.17	1,033.80	1,705.98	2,759.03	849.42	519.55	0.00	5,088.42	35,031.76
Population divided by 100	316.30	22.50	77.00	778.55	374.00	5.50	420.89	207.70	270.00	126.00	162.00	325.80	92.00	49.20	0.00	657.00	3,884.44
Total	4,116.40	354.37	908.39	11,868.35	4,305.27	60.94	4,097.07	3,942.24	5,735.17	1,759.80	2,221.98	3,584.83	1,102.02	772.75	0.00	10,555.62	55,385.20
Percentage of Total	7.4%	0.6%	1.6%	21.4%	7.8%	0.1%	7.4%	7.1%	10.4%	3.2%	4.0%	6.5%	2.0%	1.4%	0.0%	19.1%	100.0%
Budget	\$ 7,878	\$ 678	\$ 1,738	\$ 22,715	\$ 8,239	\$ 117	\$ 7,841	\$ 7,545	\$ 10,976	\$ 3,368	\$ 4,253	\$ 6,861	\$ 2,109	\$ 1,479	\$ -	\$ 20,203	\$ 106,000



## Anoka PSDS

## LRMS Forumla Estimate

Agency	2012 % CFS	2013 Agency Allocation	PSDS Estimate - Low	Difference	Percent	High Estimate	Difference	Percent
ACSO	16.77%	\$31,203	\$57,018	\$25,815	82.7%	\$90,558	\$59,355	190.2%
Anoka PD	9.82%	\$18,654	\$33,388	\$14,734	79.0%	\$53,028	\$34,374	184.3%
Blaine PD	16.00%	\$30,376	\$54,400	\$24,024	79.1%	\$86,400	\$56,024	184.4%
Centennial Lakes PD	2.53%	\$4,838	\$8,602	\$3,764	77.8%	\$13,662	\$8,824	182.4%
Columbia Heights PD	8.55%	\$15,260	\$29,070	\$13,810	90.5%	\$46,170	\$30,910	202.6%
Coon Rapids PD	21.46%	\$40,756	\$72,964	\$32,208	79.0%	\$115,884	\$75,128	184.3%
Fridley PD	11.51%	\$21,861	\$39,134	\$17,273	79.0%	\$62,154	\$40,293	184.3%
Lino Lakes PD	3.51%	\$6,671	\$11,934	\$5,263	78.9%	\$18,954	\$12,283	184.1%
Ramsey PD	5.14%	\$9,768	\$17,476	\$7,708	78.9%	\$27,756	\$17,988	184.2%
St. Francis PD	2.09%	\$3,961	\$7,106	\$3,145	79.4%	\$11,286	\$7,325	184.9%
Spring Lake Park PD	2.60%	\$4,944	\$8,840	\$3,896	78.8%	\$14,040	\$9,096	184.0%
Totals	99.98%	\$188,292	\$339,932			\$539,892		

RMS/JLEC 2013 Allocation	\$188,292
PSDS Estimate Low - 2016*	\$340,000
PSDS Estimate High - 2016*	\$540,000

PSDS Support (2015 - 2021)	\$140,000
System Mgmt/Admin - Low	\$200,000
System Mgmt/Admin - Hi	\$400,000